

Message Text

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63

ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 AGR-10 OES-05 FEA-01

EPA-04 STR-04 MMO-04 /094 W
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R 131700Z FEB 76

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 3929

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

AMCONSUL PORTO ALEGRE

AMCONSUL SALVADOR

AMCONSUL RECIFE

AMCONSUL BELEM

UNCLAS SECTION 1 OF 2 BRASILIA 1321

E.O. 11652: N/A

TAGS: BEXP BR

SUBJECT: COUNTRY COMMERCIAL ACTION GROUP (CCAG) MEETING JANUARY 19

REF: (A) BRASILIA 0480, (B) 75 STATE 288205, (C) BRASILIA 0752,
(D) 75 STATE 244219, (E) 75 BRASILIA 9682, (F) 75 BRASILIA 6699,
(G) 75 BRASILIA 9075, (H) 75 SAO PAULO 2243, (I) 75 PORTO
ALEGRE 0231

1. SUMMARY: IN ITS MEETING ON JANUARY 19, CCAG DISCUSSED THE
DIPLOMATIC
NOTE TO BE DELIVED FOLLOWING DAY AT MINISTRY OF EXTERNAL RELATIONS
CONCERNING THE PROPOSED US TRADE CENTER IN SAO PAULO (REF A).
CCAG ALSO REVIEWED WASHINGTON COMMERCIAL ACTION GROUP'S (WCAG)
REPORT (REF B) AND DISCUSSED DRAFT SECTIONS I, II, AND III
FOR THE FY-1977 CCP SUBMITTED PER REF C. A THOROUGH MID-YEAR
REVIEW OF FY-76 CCP CAMPAIGNS HIGHLIGHTED THE FOLLOWING
RECOMMENDATIONS; 1) AGRICULTURAL EQUIPMENT CAMPAIGN
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AS CURRENTLY WRITTEN BE DROPPED FOR THE REMAINDER OF FY-76

(SUGGESTED SUBSTITUTION OF EFFORT DESCRIBED BELOW); 2) THAT WCAG ADVISE CCAG HOW TO OBTAIN THE ARTICLES TO BE PLACED IN TRADE MEDIA WHICH IS A REQUIREMENT OCCURRING IN SEVERAL CCP CAMPAIGNS; CAMPAIGN MANAGERS HAVE NEITHER THE ACCESS TO TECHNICAL TRADE JOURNALS NOR THE TECHNICAL COMPETENCE TO SELECT THE MOST OUTSTANDING ARTICLES; 3) THAT QUANTIFIED TRADE OPPORTUNITY REQUIREMENTS TO DROPPED FROM TWO CAMPAIGNS (PETROLEUM/PETROCHEMICAL AND MINING) FOR REASONS EXPLAINED BELOW. CCAG WISHES TO DRAW ATTENTION OF WCAG TO QUESTION OF FINANCING IN COMMUNICATIONS EQUIPMENT CAMPAIGN (SEE BELOW) WHICH IS CRITICAL TO CAMPAIGN OBJECTIVES. DETAILED REPORT AS PER "MANAGEMENT BY EXCEPTION" METHOD (REF D) FOLLOWS BELOW. END SUMMARY.

2. METALWORKING AND METAL-FINISHING EQUIPMENT CAMPAIGN: END-OF-SHOW CABLE REPORT ON MECANICA '75 FORWARDED TO USDOC DEC. 1; ALL ACTIONS COMPLETED EXCEPT FOR CONTINUING PROBLEMS OF WAIVERS ON IMPORT TAXES (ACTION 4). AS ALREADY CITED IN PREVIOUS CCAG MEETING REPORT (PARA 2, REF. E), EMBASSY HAS NOT YET RECEIVED A REPLY FROM THE GOB TO AIDE-MEMOIRE SUBMITTED AUGUST, 1975 (REFS F AND G) ON PROBLEMS OF US EXHIBITIONS AT BRAZILIAN TRADE FAIRS. NUMBER OF TRADE OPPORTUNITIES SUBMITTED DURING FIRST TWO QUARTERS (15) EXCEEDED TARGET OF SIX FOR THIS PERIOD.

3. AGRICULTURAL EQUIPMENT: IN VIEW OF EVEN FURTHER IMPORT RESTRICTIONS ANNOUNCED IN EARLY DECEMBER AFFECTING THIS PRODUCT CATEGORY, THE POOR RESULTS OF THIS FALL'S TRADE MISSION (REFS H AND I), AND USDOC'S CANCELLATION OF PARTICIPATION IN THE ESTEIO AGRICULTURAL SHOW, CCAG RECOMMENDS THAT THIS CAMPAIGN, AS CURRENTLY WRITTEN, BE DROPPED FOR REMAINDER OF FY 76. (CCAG RECOMMENDS AGAINST TYPE II PARTICIPATION IN ESTEIO AS SUGGESTED REF B.) WE SUGGEST THAT IN ITS PLACE EMPHASIS BE GIVEN TO SEARCHING OUT TRADE OPPORTUNITIES IN SELECT CATEGORIES (SOME OF WHICH ALREADY REPORTED IN RIO 3719 OF NOV, 13, 1975, PARA 6) FOR WHICH OUR RESEARCH HAS INDICATED A MARKET. IN ADDITION, CCAG RECOMMENDS THAT DURING REMAINDER OF FY 76 CCP, PRELIMINARY GROUNDWORK BE DEVELOPED FOR FULL CAMPAIGN IN FY 77 CCP IN AGRIBUSINESS SECTOR AS PER DEPT'S A-7008 UNCLASSIFIED

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(NOV. 17, 1975). NO TRADE OPPORTUNITIES WERE REPORTED. HOWEVER, ONE EXPORT PROJECT OPPORTUNITY (TECHNOLOGY, ENGINEERING AND MACHINERY FOR MEAT PROCESSING FACILITY) WAS REPORTED. CALIFORNIA AGRICULTURAL EQUIPMENT SHOW WAS NOT PROMOTED AS IT DID NOT APPEAR ON CURRENT 1975-1976 DIRECTORY OF UNITED STATES TRADE SHOWS AND EXPOSITIONS AND CAMPAIGN MANAGERS ASSUMED SHOW HAD BEEN CANCELLED.

4. COMMUNICATIONS EQUIPMENT: CCAG WISHES TO HIGHLIGHT TO WCAG THE SERIOUSNESS OF THE APPARENT IMPASSE BETWEEN EXIMBANK AND TELEBRAS CONCERNING THE QUESTION OF GUARANTEEING EXIMBANK LOANS TO EMBRATEL. IF ADEQUATE FINANCING IS NOT AVAILABLE, THIS CAMPAIGN CANNOT MEET ITS OBJECTIVES. (EMBASSY COMMENTS: GOB OFFICIALS INTELECOMMUNICATIONS SECTOR HAVE TOLD BOTH EMBOFFS AND US INDUSTRY REPS THAT THIS PROBLEM COULD WELL HINDER CHANCES OF US FIRMS TO WIN CONTRACTS FOR BOTH GROUND AND SPACE SEGMENTS OF PLANNED DOMESTIC COMMUNICATIONS SATELLITE PROJECT.) REPRESENTATIONAL EVENT (ACTION 6) HAS NOT BEEN HELD IN VIEW OF THE CONTINUING EXIMBANK/TELEBRAS IMPASSE, ALTHOUGH SOCIAL AND BUSINESS CONTACTS WITH EMBRATEL HAVE BEEN MAINTAINED. NO ARTICLES (ACTIONS 7 AND 10) HAVE BEEN PLACED IN TRADE MEDIA (SEE SUMMARY ABOVE). SIX TRADE OPPORTUNITES (AS OPPOSED TO TWO CALLED FOR IN CCP) WERE SUBMITTED. UPDATED CERP REPORT WILL BE SUBMITTED IN FOLLOWING QUARTER.

5. AVIONICS-AVIATION ENGINEERING AND EQUIPMENT: REQUIREMENTS CONCERNING SAO PAULO AIRPORT WECU NOT MET DUE TO DELAYS IN SITE SELECTION FOR THE AIRPORT. DECISIONS ON AIRPORT ANNOUNCED DURING THIRD QUARTER HAVE BEEN REPORTED. INTERNATIONAL SAO PAULO AEROSPACE FAIR (ACTION 7) WILL NOT BE HELD. COMPREHENSIVE REPORT ON AVIATION SECTOR (ACTION 5) WILL BE SUBMITTED DURING THIRD QUARTER.

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ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 AGR-10 OES-05 FEA-01

EPA-04 STR-04 MMO-04 /094 W
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R 131700Z FEB 76

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AMCONSUL BELEM

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6. COMPUTERS AND RELATED EQUIPMENT: NO ARTICLES ON US COMPUTER TECHNOLOGY (ACTION 1) WERE PLACED IN TRADE MEDIA. CCAG RECOMMENDS THAT THIS CAMPAIGN REQUIREMENT BE DROPPED BECAUSE WHILE TRADE MEDIA IS SMALL (ABOUT FOUR PUBLICATIONS), IT IS SOPHISCATED AND ALREADY RELIES HEAVELY ON US -ORIGIN ARTICLES. LIAISON WITH SUCESU (ACTION 3) LED TO USIS-SPONSORED US COMPUTER AGE BOOK EXHIBIT AT 8TH NATIONAL DATA PROCESSING CONGRESS, OCT. 27-31, '75 IN SAO PAULO. USIS DISTRIBUTED 2,500 CATALOGS WHICH CONTAINED TITLES OF ALL 156 BOOKS AND 26 MAGAZINES IN EXHIBIT WITH NAMES AND ADDRESSES OF US PUBLISHERS SO THAT INTERESTED AGENCIES AND FIRMS COULD ORDER BOOKS DIRECTLY FROM US PUBLISHERS. CCAG COMMENDS THIS EXAMPLE OF INTER-AGENCY COOPERATION SUPPORTING COMMERCIAL OBJECTIVES TO WCAG'S ATTENTION.

7. POLLUTION CONTROL EQUIPMENT: EARLY WARNING REPORTS (ACTIONS 4 AND 8) SUBMITTED; INFORMATION BEING DEVELOPED
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ON POLLUTION CONTROL PROGRAMS FOR PETROCHEMICAL POLES IN SALVADOR AND PORTO ALEGRE FOR SUBMISSION LATER IN YEAR. SINCE TRADE MISSION NOW SCHEDULED IN MARCH RATHER THAN JULY, ACTION CALENDAR SHOULD BE ADJUSTED ACCORDINGLY. IN VIEW OF IMPORT CLIMATE, CCAG SUGGESTS A REVISION OF ACTION 16 TO REFLECT MORE REALISTIC EXPECTATIONS AS FOLLOWS: 6 US FIRMS INTRODUCED TO BRAZILIAN MARKET (AS OPPOSED TO 8); \$1 MILLION INCREMENTAL SALES (AS OPPOSED TO \$2.5 MILLION); 50 SALES LEADS GENERATED (AS OPPOSED TO 100); 4 BUSINESS AGREEMENTS (AS OPPOSED TO 4 AGENCY AGREEMENTS).

8. POWER PRODUCTION, TRANSMISSION AND DISTRIBUTION PROJECTS: REPORTS HAVE BEEN FILED ON ITAIPU BID SCHEDULES FOR HEAVY GENERATING EQUIPMENT, AND CLOSE CONTACTS WITH ITAIPU COMPANY OFFICIALS HAVE BEEN MAINTAINED. BRAZILIAN ATTENDACE AT INTERNATIONAL ENERGY ENGINEERIN EXPOSITION AND CONGRESS (ACTION 8) WAS ORIGINALLY SLATED FOR REVERSE TOURISM PROMOTION BUT THIS EFFORT WAS ABANDONED WHEN THE EXPOSITION PORTION WAS CANCELLED. CERP REPORT OF POWER EQUIPMENT (ACTION 9) WILL BE SUBMITTED DURING THIRD QUARTER.

9. STEEL EXPANSION PROGRAM: ALL REQUIREMENTS MET.

10. PETROLEUM AND PETROCHEMICAL EXPANSION: UPDATE ON PETROLEUM INDUSTRY (ACTION 2) TO BE SUBMITTED BY MINERALS OFFICER. ARTICLES ON OILFIELD AND PETROCHEMICAL TECHNOLOGY AND EQUIPMENT (ACTION 4) WERE NOT PLACED IN MEDIA (SEE SUMMARY). WHILE ONE TRADE OPPORTUNITY FOR OILFIELD MACHINERY WAS GENERATED BY CONGEN RIO, CCAG RECOMMENDS DROPPING TRADE OPPORTUNITY REQUIREMENTS FROM THIS CAMPAIGN. FIRMS OR AGENCIES PUTTING UP PETROLEUM PROCESSING AND PETROCHEMICAL MANUFACTURING FACILITIES USUALLY HAVE PROJECTS PREPARED BY SPECIALIZED FIRMS AND ARE BETTER AWARE THAN WE ARE OF WHICH US EQUIPMENT SUPPLIERS SHOULD BE CONTACTED. OCCASIONAL TRADE OPPORTUNITIES WILL STILL, OF COURSE, BE REPORTED BUT NO SPECIAL EFFORT TO GENERATE THEM NEED BE MADE IN THIS CAMPAIGN. ONE EARLY WARNING REPORT (ON THIRD PETROCHEMICAL POLE) WAS SUBMITTED; SEVERAL US FIRMS ARE PURSUING THIS OPPORTUNITY.

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11. MINING EQUIPMENT: UP-DATED AND EXPANDED "MINERALS DIRECTORY" CONTAINING NAMES, ADDRESSES AND TELEPHONE NUMBERS OF ALL MINING COMPANIES, MINERALS TRADE ASSOCIATIONS AND GOB MINERALS AGENCIES WAS COMPILED AND FORWARDED TO WASHINGTON VIA AIRGRAM. MCGRAW-HILL'S "ENGINEERING AND MINING JOURNAL", WHICH DEVOTED ITS ENTIRE NOVEMBER ISSUE TO MINING DEVELOPMENTS IN BRAZIL CARRIED THIS "MINERALS DIRECTORY". COMPREHENSIVE REPORTS ON BRAZILIAN COOPER AND OIL SHALE SITUATIONS (ACTION 10) ALSO WERE SUBMITTED, AS WELL AS A NUMBER OF STATUS REPORTS ON \$2.7 BILLION CARAJAS PROJECT. AGAIN IN THE CASE OF THIS CAMPAIGN, CCAG RECOMMENDS THAT QUANTIFIED REQUIREMENTS FOR SUBMITTING TRADE OPPORTUNITIES BE DROPPED AS MAJOR MINING PROJECT DIRECTORS KNOW WHERE TO OBTAIN THEIR EQUIPMENT. CCAG WOULD PREFER THAT USDOC DEVELOP SOME SYSTEM WHEREBY EQUIPMENT SALES OPPORTUNITIES INHERENT IN MINING PROJECTS REPORTED BY MINERALS OFFICER BE FLAGGED TO POTENTIAL US SUPPLIERS.

12. VISIT USA: CCP CAMPAIGN AS CURRENTLY WRITTEN CONCENTRATED ALL PLANNING FOR CAMPAIGN DURING FIRST TWO QUARTERS. MARKET ANALYSIS OF THE BRAZILIAN TRAVEL MARKET TO THE US WAS ONLY RECEIVED IN LATE NOVEMBER AS WAS MATERIAL FOR PROMOTING INCENTIVE TRAVEL. PLANNING FOR TRAVEL DEVELOPMENT PROJECTS WILL BE DELAYED UNTIL THIRD QUARTER. ACTIONS TAKEN TO SUPPORT TOURISM TO THE US INCLUDE: COMPILATION OF A COMPREHENSIVE LIST OF LOCAL TRAVEL AGENTS/TOUR OPERATORS, COMPLEMENTING TOURISM PROMOTION WITH THE FOREIGN BUYERS PROGRAM; ARTICLES

IN EVERY ISSUE OF COMMERCIAL BULLETIN ON BICENTENNIAL CELEBRATIONS; PLACEMENT OF FEATURE ARTICLES, COMPLETE WITH PHOTOGRAPHS PROVIDED BY SPECIAL MARKETS DIVISION OF USTS, BY USIS IN BRAZILIAN PRESS. SELECTION OF PARTICIPANTS IN USTS FAMILIARIZATION PROGRAM WILL BE CARRIED OUT IN THIRD QUARTER.

13. WHILE NO TARGET NUMBER FOR TRADE OPPORTUNITIES HAS BEEN SET IN FY-76 CCP, CCAG PLEASED TO REPORT THAT AS OF END OF SECOND QUARTER 78 TRADE OPPORTUNITIES HAVE BEEN SENT IN FROM BRAZIL AS OPPOSED TO A TOTAL OF 118 FOR UNCLASSIFIED

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ALL OF FYGT CCP. FOLLOWING ACTIONS SUPPORTING COMMERCIAL OBJECTIVES BUT NOT REQUIRED BY CCP WERE TAKEN: 1) CONGEN'S RIO AND SAO PAULO RECEIVED ALABAMA-MISSISSIPPE DISTRICT EXPORT COUNCIL IOGA TRADE MISSION, SEPT. 15-20; 2) AS ANNOUNCED PARA 4 REF E, AN INTENSIVE EFFORT WAS MADE TO ORIENT US SUPPLIERS TOWARDS EQUIPMENT PURCHASES FOR TWO PROJECTS FINANCED BY THE IADB. PROJECTS CONCERNED EQUIPMENT NEEDS FOR INSTITUTE OF NUTRITION AT UNIVERSITY OF BRASILIA (\$1 MILLION) AND FOR RESERACH CENTER OF STATE OF BAHIA-CEPED- (\$1.2 MILLION). EMBASSY BRASILIA AND AMCONSUL SALVADOR, RESPECTIVELY, WORKED CLOSELY WITH USDOC AND SUCCESSFULLY BROGHT BRAZILIAN PURCHASING AGENCY AND US SUPPLIERS TOGETHER. CRIMMINS

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Draft Date: 13 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Enclosure: n/a
Executive Order: N/A
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